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## ERICSSON STUDY: HOW NETWORK SLICING PAYS OFF

- Network slicing has the potential to offer economic benefits in terms of higher revenues and lower operating expenditures, if operational automation and a step change in the number of operator service launches is assumed
- Study found that network slicing is fastest, most cost-effective way to achieve service scalability
- Payback of investment to automate networks is rapid

In a new study with operator BT, Ericsson (NASDAQ: ERIC) quantifies the benefits of network slicing for operators. When coupled with operational automation, network slicing is proven to be a smart investment to reduce operating expenditures and increase CAPEX efficiency, while enabling fast implementation and better utilization of devices related to the Internet of Things (IoT).

Mobile data traffic continues to grow at a rapid pace along with adoption of connected devices. In the [Ericsson Mobility Report](#), around 18 billion IoT devices are forecast by 2022. Connected IoT devices include connected cars, machines, meters, sensors, point-of-sales terminals, consumer electronics and wearables.

Network slicing allows operators to segment the network to support particular services and deploy multiple logical networks for different service types over one common infrastructure. The joint study looked at three ways to introduce new services into a network: via one multi-service network; via individual networks with dedicated resources; or via network slicing including operational automation.

Marielle Lindgren, Head of Ericsson United Kingdom, says: “We found that over a five-year period, introducing new services by using network slicing and operational automation generated 35 percent more revenue than by using one multi-service network. The revenue increased 15 percent when compared to several networks with dedicated resources, demonstrating how the technology enables market stimulation, faster time to market, and opportunities from smaller niche services.”

Maria Cuevas, Head of Mobile Core Networks Research at BT, says: “We’re positioned to bring millions of devices onto our networks as the IoT ecosystem grows. This study gives us guidance as to where our investments will achieve the best results. The more services we deploy with network slicing, the greater economic benefit we will see, enabling us to better

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serve our customers. In order to achieve this vision, it is important that the industry provides cost-effective solutions to support end-to-end orchestration and adds automation to the operations and management of network slices.”

### **1-2-3 TO SAVE, GROW AND CONTRIBUTE**

Specifically, the study’s base case was a deployment ramping up to 40 annual service launches over five years. Network slicing resulted in the equivalent of 40 percent reduction in OPEX, 35 percent increase in revenue potential and an overall impact of 150 percent increased economic benefit, under the baseline assumptions made. When scaled up, the gains also increased. All benefits were considered in terms of the core network only.

Marielle Lindgren continues: “As applications and use cases for evolving technology become more complex, so will the characteristics of connecting them. Simply put, networks will need to adapt. The findings clearly show that network slicing provides a logical setup that can be tailored to extend into the as-yet undefined services of the future.”

Read the full report [here](#) .

### NOTES TO EDITORS

<https://www.ericsson.com/en/networks/insights/economic-study-5G-network-slicing>

<https://www.ericsson.com/en/networked-society/innovation/network-architecture>

[ericsson.com/mobility-report](https://www.ericsson.com/mobility-report)

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